

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Business Opportunity Fraud Act of the
State of Washington by:

Electronic Billing Systems, Inc.; Ronald Tupps;
Robert Ash; their agents and employees,

Respondents.

S-02-329-02-FO01

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL ORDER
TO CEASE AND DESIST

Case No. 02-329

THE STATE OF WASHINGTON TO:

Electronic Billing Systems, Inc.
Ronald Tupps, President
3550 East Post Road, #500
Las Vegas, Nevada 89120

STATEMENT OF CHARGES

On October 28, 2002, the Securities Administrator of the State of Washington issued Summary Order to Cease and Desist SDO-87-02 hereinafter referred to as "Summary Order."

The Summary Order, together with a Notice of Opportunity to Defend and Opportunity for Hearing (hereinafter referred to as "Notice of Opportunity for Hearing") and an Application for Adjudicative Hearing (hereinafter referred to as "Application for Hearing") thereon, were served via certified mail on Respondents November 6, 2002. The Notice of Opportunity for Hearing advised Respondents that they had twenty days from the date they received the notice to file a written application for an administrative hearing on the Summary Order.

Respondent, Robert Ash, waived his right to an Adjudicative Hearing, by signing and returning the Application for Hearing on November 21, 2002. Further, Electronic Billing Systems, Inc. and Ronald Tupps

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
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each waived their right to a hearing by failing to request a hearing in writing within twenty days of receipt of the Application.

The Securities Administrator therefore adopts as final the findings of fact and conclusions of law as set forth in the Statement of Charges as to Electronic Billing Systems, Inc., Ronald Tupps, and Robert Ash.

FINDINGS OF FACT

I. Respondents

1. Electronic Billing Systems, Inc. ("EBS") is a Nevada corporation with a business address of 3550 East Post Road #500, Las Vegas, Nevada 89120. EBS is in the business of providing training and software for at-home medical and dental patient billing.

2. Ronald Tupps ("Tupps") was the President of EBS at all times relevant to the matters set forth herein.

3. Robert Ash ("Ash") was the General Manager of EBS at all times relevant to the matters set forth herein.

II. Nature of the Business Opportunity

4. EBS maintains a website located at www.electronicbilling.com. This website is available to Washington residents. Further, in April 2002, EBS placed an advertisement in at least one Washington newspaper. The advertisement stated:

Data Entry Could earn \$15
& up. Medical Billing Co.
seeks people to process
claims. Will train.
PC req'd. Call 7 days
800-935-1311 x230

5. Upon viewing the advertisement, at least one Washington resident called the provided telephone number. An EBS representative offered a Washington resident the medical billing system for \$499.99. This system would include all the necessary materials to provide electronic medical billing to local medical professionals.

6. An EBS representative informed a Washington resident that there was a 21-day refund policy for purchasers.

7. A Washington resident received a package of information from EBS. The package contained videotapes and workbooks for use in training and certification. The package also contained compact disks that contained medical billing software and medical databases.

8. This package failed to disclose material information regarding the business opportunity. The package failed to include material financial information regarding EBS, including, but not limited to, a financial statement.

III. Registration Status

9. EBS is not currently registered to sell its business opportunities in the state of Washington.

Based upon the above Findings of Fact, the following Conclusions of Law are made:

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CONCLUSIONS OF LAW

1. The offer and/or sale of medical billing systems as described above constitutes the offer and/or sale of a business opportunity as defined in RCW 19.110.020(1).

2. The offer and/or sale of said business opportunity is in violation of RCW 19.110.050 because no registration or notification of claim of exemption for such offer and/or sale is on file with the Administrator of Securities, state of Washington.

3. The offer and/or sale of said business opportunity was made in violation of RCW 19.110.070 and RCW 19.110.120, the disclosure document and antifraud provisions of the Business Opportunity Fraud Act, respectively.

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FINAL ORDER

Based on the foregoing, NOW, THEREFORE, IT IS HEREBY ORDERED that Respondents, Electronic Billing Systems, Inc., Ronald Tupps, Robert Ash, its owners, principals, officers, agents and employees, each cease and desist from offering and/or selling business opportunities in any manner in violation of RCW 19.110.050(1), the section of the Business Opportunity Fraud Act requiring registration.

It is further ORDERED That, Electronic Billing Systems, Inc., Ronald Tupps, Robert Ash, its owners, principals, officers, agents and employees, each cease and desist from offering and/or selling business opportunities in any manner in violation of RCW 19.110 070 and RCW 19.110.120, the disclosure document and the anti-fraud provisions of the Business Opportunity Fraud Act, respectively.

1 This order is issued pursuant to RCW 19.11.150 and is subject to the provisions of Chapter 34.05
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3 RCW.
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7 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.
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9 DATED this 2nd day of December 2002.
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16 DEBORAH R. BORTNER
17 Securities Administrator
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20 Presented by:
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25 Susan H. Anderson
26 Financial Legal Examiner
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29 Approved by:
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34 Michael E. Stevenson
35 Chief of Compliance
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45 ENTRY OF FINDINGS OF FACT AND
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